

FACT SHEET: Biden-Harris Administration Bringing Semiconductor Manufacturing Back to America

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Intel Announces \$20 Billion Ohio Facility; Latest Company to Invest in U.S., Strengthen Domestic Supply Chains

Semiconductors are an essential building block in the goods and products that Americans use every day. These computer chips are critical to a range of sectors and products from cars to smartphones to medical equipment and even vacuum cleaners. They help power our infrastructure from our grid to our broadband. The United States used to lead the world in global semiconductor manufacturing. But in recent decades, the U.S. lost its edge—our share of global semiconductor production has fallen from 37 percent to just 12 percent over the last 30 years.

The COVID-19 pandemic shined a spotlight on the fragility in the global semiconductor supply chain. Experts estimate that the global chip shortage knocked off a full percentage point from U.S. gross domestic product (GDP) last year. U.S. autoworkers faced furloughs and production shut downs due to pandemic-driven disruptions in Asian semiconductor factories, contributing to large increases in the price of cars for U.S. consumers. One-third of the annual price increases in core consumer price index (CPI) last year was due to high car prices alone.

The Biden-Harris Administration has been working around the clock with Congress, our international allies and partners, and the private sector to expand U.S. chip manufacturing capacity, bring back critical American manufacturing jobs, address the chip shortage, and ensure we are not exposed to these disruptions again. Today, Intel will announce a new \$20 billion factory outside Columbus, Ohio.

Today's announcement is the latest marker of progress in the Biden-Harris Administration's efforts to ramp up domestic manufacturing for critical goods like semiconductors, tackle near-term supply chain bottlenecks, revitalize our manufacturing base, and create good jobs here at home. This investment will create 7,000 construction jobs and another 3,000 permanent jobs, another sign of the strength of the American economy.

To accelerate this progress, the President is urging Congress to pass legislation to strengthen U.S. research and development and manufacturing for critical supply chains, including semiconductors. The Senate passed the U.S. Innovation and Competition Act (USICA) in June and the Administration is working with the House and Senate to finalize this legislation. It includes full funding for the CHIPS for America Act, which will provide \$52 billion to catalyze more private-sector investments and continued American technological leadership.

Since the beginning of 2021, the semiconductor industry has announced nearly \$80 billion in new investments in the United States through 2025, according to the Semiconductor Industry

Association. These investments will create tens of thousands of good-paying U.S. jobs, support U.S. technological leadership, and promote security and resilience in global semiconductor supply chains. In addition to Intel's announcement today, investments include:

- A \$17 billion Samsung factory in Texas – the result of sustained work by the Administration, including the President's meeting with President Moon of the Republic of Korea in May.
- Texas Instruments investing up to \$30 billion in Texas;
- A new Global Foundries factory in New York state;
- Cree's intention to spend \$1 billion to expand a current plant in North Carolina;
- SK Group investments in a new U.S. R&D center; and
- Micron to expanding U.S. production.

The Biden-Harris Administration has led a whole of government effort to secure these critical investments.

- President Biden prioritized domestic semiconductor manufacturing and research and development (R&D) shortly after taking office, designating semiconductor supply chains as a centerpiece of his national [supply chain initiative](#) launched in February 2021.
- In June, the Commerce Department issued a [set of recommendations](#) on how to secure the U.S. semiconductor supply chain. Since that time, Commerce Secretary Gina Raimondo, National Security Advisor Jake Sullivan, and National Economic Council Director Brian Deese have held regular follow-up engagements with industry leaders and diplomatic partners and allies to advance practical solutions to strengthen the global semiconductor supply chain. This includes White House has met with the CEOs of multiple semiconductor companies in this effort.
- In October, President Biden hosted a global summit on supply chains with the heads of state from 14 countries and the European Union on the margins of the G20 in Italy to discuss supply chain disruptions, with a focus on semiconductors. The President also focused on semiconductor supply chain resilience in his bilateral meetings with foreign leaders and directed the Administration to cooperate with Europe on strengthening global supply chains through the U.S.-E.U. Trade and Technology Council (TTC) and through the Quad's focus on critical technologies.

Investments in new foundries are critical to the long-term resilience of our semiconductor supply chains. At the same time, the Administration is working to address the near-term disruptions in semiconductor supply chains that have contributed to challenges in a number of manufacturing sectors and to price increases for U.S. consumers.

- In April 2021, the President hosted a [virtual summit](#) with leading firms that produce chips and those that use chips to identify practical ways to discuss actions they could to address the disruptions resulting from the global chip shortage. By the end of the year, the participants [had announced new partnerships](#) between semiconductor companies and U.S. automakers to strengthen the resiliency of the automotive chip supply chain.
- In the summer, the Administration worked with governments and companies around the world to mitigate COVID-related disruptions to semiconductor manufacturing and in September 2021 established a [global early alert system](#) to identify and address pandemic-related disruptions.

- The Commerce Department promoted transparency in semiconductor supply chains, including through a Fall 2021 survey on the chips shortage to identify the key chokepoints in the semiconductor supply chains. Over 150 responses were received from all parts of the supply chain – producers, consumers, and intermediaries – include responses from nearly all the major semiconductor producers and the major automakers. The results of the survey will be released publicly by the end of January 2021.
- The U.S. Department of Defense has used Defense Production Act authorities to strengthen supply chains for key defense-related semiconductors.

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